

COASTAL CONSERVANCY

Staff Recommendation
September 25, 2008

SAN CLEMENTE DAM REMOVAL PROJECT PLANNING AND DEVELOPMENT

File No. 07-004-02
Project Manager: Laura Engeman

RECOMMENDED ACTION: Authorization to disburse up to \$120,000 to the Planning and Conservation League Foundation for planning and development of the San Clemente Dam Removal Project.

LOCATION: Carmel River Watershed, Monterey County

PROGRAM CATEGORY: Integrated Marine and Coastal Resources Protection

EXHIBITS

Exhibit 1: [Project Location and Site Map](#)

Exhibit 2: [San Clemente Dam Removal project description](#)

Exhibit 3: [Project Letters](#)

RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Section 31220 of the Public Resources Code:

“The State Coastal Conservancy hereby authorizes the disbursement of up to one hundred twenty thousand dollars (\$120,000) to the Planning and Conservation League Foundation (PCLF) to contribute to the planning and development of the San Clemente Dam Removal Project in cooperation with the Conservancy, California American Water and the National Marine Fisheries Service. Prior to the disbursement of funds, the Executive Officer of the Conservancy shall approve in writing a work program, including budget and schedule, and any contractors to be employed for these tasks.”

Staff further recommends that the Conservancy adopt the following findings:

“Based on the accompanying staff report and attached exhibits, the State Coastal Conservancy hereby finds that:

1. The dam removal project is consistent with the Conservancy’s current Project Selection Criteria and Guidelines.

2. The proposed authorization is consistent with the purposes and objectives of Chapter 5.5 of Division 21 of the Public Resources Code (Section 31220), regarding integrated marine and coastal resource enhancement.
 3. The dam removal project is consistent with applicable local watershed management plans and water quality control plans.
 4. PCLF is a nonprofit organization existing under Section 501(c)(3) of the U.S. Internal Revenue Code, and whose purposes are consistent with Division 21 of the Public Resources Code.”
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PROJECT SUMMARY:

The proposed authorization would provide a grant to the Planning and Conservation League Foundation (PCLF) to contribute to the planning and development of the San Clemente Dam Removal Project in cooperation with the Conservancy, California American Water (CalAm) and the National Marine Fisheries Service (NMFS). The dam removal project is truly a cooperative effort. While the Conservancy has brought project management experience and National Marine Fisheries Service (NMFS) has provided technical expertise, PCLF has led the outreach and stakeholder involvement efforts for the project. Removing San Clemente Dam would provide unimpaired access for steelhead trout to over 25 miles of spawning and rearing habitat, restore sediment transport to the downstream river and beach, restore ecological connectivity of aquatic and riparian habitat, and provide increased recreational opportunities with the conveyance of 928 acres to the Monterey Peninsula Regional Park District (see Exhibit 2). The proposed authorization would enable PCLF to continue to provide critical support to the project.

CalAm, the Department of Water Resources (DWR), state and federal resources agencies, environmental organizations and the communities along the Carmel River have spent more than 15 years debating how best to address the public safety threat posed by San Clemente Dam. Key issues of concern have included construction impacts on neighboring communities, potential cost to ratepayers, threats to downstream communities, community water supply needs, and impacts to steelhead trout and other natural resources. PCLF has helped to achieve a general consensus among the stakeholders that cooperative implementation of the dam removal project as proposed by the Conservancy, CalAm, and the NMFS is the best alternative for resolving the safety issue. However, there are several remaining concerns related to implementation of the project and its impacts that need to be addressed. PCLF will continue to work with stakeholders to develop strategies for avoiding, reducing, or mitigating project impacts and ensuring that these strategies are incorporated into the project designs and construction management plans.

PCLF is a statewide organization dedicated to protecting California’s environment and empowering residents to participate in local and state environmental decision-making processes. In 2004, PCLF launched its Central Coast Watersheds Program. A key focus of this program has been facilitating restoration and protection of the Carmel River, in part by helping to develop a feasible strategy to remove San Clemente Dam. PCLF has been an integral part of the dam removal team led by the Conservancy.

Site Description: San Clemente Dam is a 106-foot-high concrete arch dam located approximately 18.5 miles from the Pacific Ocean on the Carmel River. The dam is located just downstream of the confluence of the Carmel River and San Clemente Creek. When the dam was

constructed in 1921, it had a reservoir storage capacity of approximately 1,425 acre-feet. Today the reservoir has been filled by more than 2.5 million cubic yards of sediment, leaving a reservoir storage capacity of approximately 125 acre-feet. At this point, the sole function of the dam is to provide a diversion point for water withdrawals from the river. The dam is owned and operated by CalAm, an investor-owned water utility that is regulated by the California Public Utilities Commission. CalAm provides public water service to the Monterey Peninsula. The land adjacent to the dam and reservoir is largely undeveloped, consisting of steep slopes covered with dense chaparral and oak woodland. The nearest residential development, the Sleepy Hollow subdivision, is located approximately one mile downstream from the dam.

Project History: In October 2003, the Conservancy approved a \$300,000 grant to PCLF to develop a program to restore the resources of the Carmel River in conjunction with the removal or substantial modification of the San Clemente Dam. PCLF worked with CalAm, NMFS, DWR, the Department of Fish and Game, and others to identify potential obstacles to dam removal and begin to address them. For the past two years, PCLF has continued its work on the Carmel River and San Clemente Dam project with a grant from the Resources Legacy Fund Foundation (RLFF). This spring PCLF requested a grant from the Conservancy to continue its work on the dam removal project. In June 2008, the Conservancy approved \$6 million, half of which would be contributed by CalAm, for preparing design plans and permits for the project.

PROJECT FINANCING:

Coastal Conservancy	\$120,000
Resources Legacy Fund Foundation	60,000
Carmel River Watershed Conservancy	<u>10,000</u>
Total Project Cost	\$190,000

The expected source for the Conservancy funds for this authorization is an appropriation to the Conservancy from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Proposition 84). Proposition 84 authorizes the Conservancy's use of these funds for the purposes of protecting beaches, bays, coastal waters and coastal watersheds, and the natural habitat values of coastal waters and lands through projects undertaken pursuant to the Conservancy's enabling legislation (Division 21 of the Public Resources Code). Section 75060(e) of the Public Resources Code specifically allocates Conservancy funding for Monterey Bay and its watersheds, which is defined in Section 75072.5 to include the Carmel River watershed. The dam removal project will remove a major fish passage barrier on the Carmel River, and restore river processes and the ecological connectivity of the river's aquatic and riparian habitats. The proposed authorization is consistent with the Conservancy's enabling legislation, as discussed in the "Consistency with Conservancy's enabling legislation" section below. The proposed authorization is thus consistent with the funding requirements of Proposition 84.

Proposition 84 also requires that for potential projects that include acquisition or restoration for the purpose of protect natural resources protection, the Conservancy give priority to potential projects that meet one or more of the criteria specified in Section 75071. The San Clemente dam removal project satisfies the following specified criteria: 1) Landscape/habitat linkage – the project will link existing protected habitat areas because the CalAm will donate property in the

project area creating a link between Garland Park and the San Clemente Open Space area; 2) Watershed protection – the project will contribute to long-term watershed protection by restoring the ecological processes and connectivity of the Carmel River and by restricting the uses of the donated property for watershed conservation and compatible public access; and 3) Non-state matching contribution – RLFF has already provided approximately \$60,000 to the stakeholder outreach program of the dam removal project. In addition, California American Water will provide \$3 million of the estimated \$6 million required for the final design and permitting phase of the project.

CONSISTENCY WITH CONSERVANCY’S ENABLING LEGISLATION:

This authorization would be undertaken pursuant to the Conservancy’s enabling legislation, Division 21 of the Public Resources Code; in particular Chapter 5.5 (Public Resources Code Sections 31220), regarding integrated coastal and marine resources protection.

Section 31220(a) of the PRC authorizes the Conservancy to award grants for coastal watershed projects that meet one or more criteria of Section 31220(b). Consistent with Section 31220(b), the San Clemente Dam Removal Project will help achieve the following objectives: 2) protect and restore fish and wildlife habitat within coastal and marine waters and coastal watersheds; 3) reduce threats to coastal and marine fish and wildlife; 4) reduce unnatural erosion and sedimentation of coastal watersheds or contribute to the reestablishment of natural erosion and sediment cycles; and 6) acquire, protect, and restore coastal wetlands, riparian areas, floodplains, and other sensitive watershed lands, including watershed lands draining to sensitive coastal or marine areas. Consistent with Section 31220(a), Conservancy staff have consulted with the State Water Quality Control Board in developing the dam removal project.

As Section 31220(c) requires, the dam removal project is consistent with local and state watershed plans. This is discussed in detail below under “Consistency With Local Watershed Management Plan/State Water Quality Control Plan.” Section 31220(c) also requires that projects include a monitoring and evaluation component. Extensive monitoring and evaluation will be integrated into the design of the dam removal project.

Section 31111 gives the Conservancy the authority to fund plans and feasibility studies in order to implement the purposes of Division 21.

CONSISTENCY WITH CONSERVANCY’S 2007 STRATEGIC PLAN GOAL(S) & OBJECTIVE(S):

Consistent with **Goal 5 Objectives A**, the dam removal project will develop a plan for restoration of watershed processes in the Carmel River and improved access to over 43 miles of spawning and rearing habitat for steelhead trout.

Consistent with **Goal 6 Objectives A and C**, this authorization will contribute to the development of a plan for restoring a coastal watershed and removing a major fish passage barrier. Removing the dam will provide increased access to spawning and rearing habitat for steelhead trout, restore the natural sediment supply to downstream reaches, and increase the biological connectivity of the river.

CONSISTENCY WITH CONSERVANCY'S PROJECT SELECTION CRITERIA & GUIDELINES:

The dam removal project is consistent with the Conservancy's Project Selection Criteria and Guidelines, last updated on September 20, 2007, in the following respects:

Required Criteria

1. **Promotion of the Conservancy's statutory programs and purposes:** See the "Consistency with Conservancy's Enabling Legislation" section above.
2. **Consistency with purposes of the funding source:** See the "Project Financing" section above.
3. **Support of the public:** Removal of San Clemente Dam has broad support from federal, state and local agencies, environmental and community groups, including Assemblymember John Laird, State Senator Abel Maldonado, NMFS, the Carmel River Steelhead Association, and the Carmel River Watershed Conservancy. Support letters are provided in Exhibit 3.
4. **Location:** The project area is located on the Carmel River approximately 18.5 miles from the ocean. The San Clemente Dam Removal Project will benefit coastal and ocean resources by improving access to spawning and rearing habitat for steelhead trout, an anadromous fish that spends part of its life in the ocean.
5. **Need:** PCLF does not have the funding to continue its work on the project without assistance from the Coastal Conservancy.
6. **Greater-than-local interest:** Restoration of the Carmel River watershed is critical to the recovery of the federally-threatened South-Central California Coast steelhead population. Removal of San Clemente Dam will significantly increase access to spawning and rearing habitat and thus is an important step in the recovery process.

Additional Criteria

7. **Urgency:** Due to the unsafe condition of the dam, DWR requires that remedial action be taken soon. If the dam can not be removed expeditiously, DWR will require CalAm to proceed with buttressing the dam.
8. **Resolution of more than one issue:** Removal of San Clemente Dam will permanently resolve the public safety issue posed by the dam and will also improve access to habitat for steelhead trout and restore the natural sediment supply to the lower Carmel River and Carmel beach.
9. **Conflict resolution:** Efforts to address the safety issues at San Clemente Dam were stalled for several years due to concerns that buttressing the dam would perpetuate significant impacts to the Carmel River ecosystem and specifically steelhead trout, but that removing the dam would be costly to CalAm's ratepayers. The dam removal project involves a public-private cooperative approach to removing the dam that resolves this conflict.
10. **Readiness:** PCLF is ready to continue with its stakeholder efforts as soon as funding is available. This work needs to occur concurrently with the design and permitting phase of the project that is now underway.

11. **Realization of prior Conservancy goals:** PCLF's outreach work on the dam removal project will also help to advance the overall Carmel River Parkway initiative which the Conservancy has supported through several projects.
12. **Cooperation:** The San Clemente Dam Removal Project is a cooperative effort of a private company, state and federal agencies, and several nonprofit organizations, including PCLF. It has the potential to demonstrate how cooperation between the public and private sectors can lead to an outcome that is fair and cost-effective for all involved and achieve greater public benefits than would result from any of the participants working alone through a regulatory solution.

CONSISTENCY WITH LOCAL COASTAL PROGRAM POLICIES:

In the Carmel Area Land Use Plan of Monterey County's certified Local Coastal Program, policy 2.3.2 for Environmentally Sensitive Habitat states that "the environmentally sensitive habitats of the Carmel Coastal Segment are unique, limited and fragile resources of statewide significance, important to the enrichment of present and future generations of County residents and visitors; accordingly, they shall be protected, maintained and, where possible, enhanced and restored." The definition in the LCP of environmentally sensitive habitats includes habitat for rare and endangered species. The dam removal project, although outside the coastal zone, will facilitate improved access to spawning and rearing habitat for steelhead trout, listed as threatened under the federal Endangered Species Act.

CONSISTENCY WITH LOCAL WATERSHED MANAGEMENT PLAN/ STATE WATER QUALITY CONTROL PLAN:

Projects undertaken pursuant to Chapter 5.5 of Public Resources Code Division 21 (Section 31220) must be consistent with the following if available and relevant: Integrated Watershed Resource Management Programs (IWRMP); local watershed management plans; and water quality control plans, adopted by the state and regional water boards. The Monterey Peninsula IWRMP was completed in November 2007 and includes the Carmel River. Removal of San Clemente Dam is consistent with IWRMP Section 4.1 Environmental Enhancement goal to "preserve the environmental wealth and wellbeing of the Region's watersheds by taking advantage of opportunities to assess, restore and enhance natural resources of streams and watershed areas when developing water supply, water quality, and flood protection strategies." The project is also consistent with specific Environmental Enhancement objectives cited in Section 4.3 of the IWRMP that call for protecting and enhancing "sensitive species and their habitats in the Carmel River watershed" and identifying "opportunities to protect, enhance, or restore habitat in conjunction with water supply, water quality, or flood protection projects."

The Water Quality Control Plan for the Central Coastal Basin adopted by the Regional Water Quality Control Board in 1994 designates several beneficial use objectives for the Carmel River. The removal of San Clemente Dam will facilitate the restoration of fish and wildlife habitat thereby furthering the following designated beneficial uses for the Carmel River: cold fresh water habitat, wildlife habitat; rare, threatened or endangered species; migration of aquatic organisms; and spawning habitat (Table 2.1 of Basin Plan).

COMPLIANCE WITH CEQA:

The proposed authorization is statutorily exempt from the California Environmental Quality Act (CEQA), pursuant to 14 Cal. Code of Regulations Section 15262. Consistent with Section 15262, the authorization will involve only preparation of planning studies and feasibility studies for possible future actions which the Conservancy has not approved, adopted, or funded. Consistent with this section, the studies will consider environmental factors. The proposed authorization is also categorically exempt under 14 Cal. Code of Regulations Section 15306, which pertains to basic data collection, research, and resource evaluation which do not result in a serious or major disturbance to an environmental resource.

Upon approval, staff will file a Notice of Exemption for this project.